CNETINST 4341.1
N42
16 MAR 1995

CNET INSTRUCTION 4341.1

Subj: PROVIDING GOVERNMENT FURNISHED PROPERTY (GFP) TO
        CONTRACTORS

Ref: (a) Federal Acquisition Regulation (FAR) Part 45,
            FAR Part 52.245
        (b) Defense Federal Acquisition Regulation Supplement
            (DFARS) Part 245, DFARS Part 252
        (c) Navy Acquisition Procedures Supplement (NAPS) Part
            5245
        (d) Department of Defense Manual for the Performance of
            Contract Property Administration (DoD 4161.2-M)
        (e) Department of Defense Manual for Cost Analysis and
            Procedures DoD 5000.4-M
        (f) Department of Defense Utilization and Disposal Manual
            (DoD 4160.21-M)
        (g) CNETINST 5200.6B
        (h) CNETINST 5000.4A

1. <u>Purpose.</u>   To establish policies and procedures regarding
justification to provide Government property to contractors Also,
to establish procedures for disposal of GFP when not in Govern-
ment's best interest to provide to contractors.

2. <u>Scope</u>. This instruction applies to government property owned
by activities within the Naval Education and Training Command
(NAVEDTRACOM) and provided to contractors for use in accomplishing
NAVEDTRACOM funded contracts.

3. <u>Definitions</u>

    a. GFP - property in the possession of or directly acquired by
the Government and subsequently made available to the contractor.

    b. Contractor Acquired Property (CAP) - property acquired or
otherwise provided by the contractor for performing a contract and
to which the Government has title.

4. <u>Background.</u> References (a) through (f) assign responsibilities
and provide procedures to assure uniformity in handling GFP/CAP.

5. <u>Policy</u>

    a. References (a) through (f) provide policy regarding GFP/
CAP.

b. In evaluating offers, the contracting officer shall consider any costs or savings to the Government related to providing such property, regardless of any competitive advantage that may result (FAR Part 45.201(b)).

c. This instruction provides guidance and procedures for determining and documenting whether it is necessary and in the public's interest to provide GFP/CAP to Government contractors.

6. Actions and Responsibilities

a. Chief of Naval Education and Training (CNET)

(1) Provide guidance, counsel, and direction to NAVEDTRACOM activities concerning regulatory and contractual requirements for management of GFP/CAP.

(2) Establish and develop uniform policies and procedures on matters relating to GFP/CAP throughout the NAVEDTRACOM.

b. NAVEDTRACOM activities

(1) Establish internal guidance for compliance with references (a) through (h) and this instruction.

(2) Maintain a file consisting of written justification for providing such property and costs and/or savings to the Government. Provide a copy of the justification to the contracting officer and CNET. The justification must include the following:

(a) An economic analysis which shows whether it is more advantageous to provide this property as GFP/CAP versus contractor furnished property. The guidance in reference (e) must be followed in preparing the economic analysis.

(b) A list of available property and the condition of the property in accordance with reference (f).

(c) Document activity comptroller approval to purchase property for providing to contractors including contractor acquired property.

(d) In accordance with references (g) and (h), perform Risk or Vulnerability Assessments for GFP (Assessable Unit) and conduct local audits when required.

(3) Ensure that above actions are accomplished for existing contracts, new contracts, and changes to GFP/CAP requirements throughout the life of the contract.

        (4) Maintain written justification on file throughout the contract's life and 3 years after contract is completed, or all issues are resolved, whichever is later,

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